

PERAC AUDIT REPORT



Plymouth

Contributory Retirement System



JAN. 1, 2011 - DEC. 31, 2013



TABLE OF CONTENTS

Letter from the Executive Director	I
Statement of Ledger Assets and Liabilities.....	2
Statement of Changes in Fund Balances	3
Statement of Receipts.....	4
Statement of Disbursements.....	5
Investment Income.....	6
Schedule of Allocation of Investments Owned.....	7
Supplementary Investment Regulations	8
Notes to Financial Statements:	
Note 1 - Summary of Plan Provisions	10
Note 2 - Significant Accounting Policies.....	17
Note 3 - Supplementary Membership Regulations.....	19
Note 4 - Administration of the System	22
Note 5 - Actuarial Valuation and Assumptions.....	23
Note 6 - Membership Exhibit.....	24
Note 7 – Leased Premises	25
Note 8 – Other Post Employment Benefits	26

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATE FITZPATRICK | JOHN B. LANGAN | JAMES M. MACHADO | ROBERT B. MCCARTHY

January 15, 2015

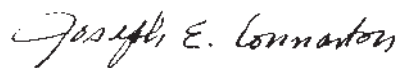
The Public Employee Retirement Administration Commission has completed an examination of the Town of Plymouth Retirement System pursuant to G.L. c. 32, § 21. The examination covered the period from January 1, 2011 to December 31, 2013. This audit was conducted in accordance with the accounting and management standards established by the Public Employee Retirement Administration Commission in regulation 840 CMR 25.00. Additionally, all supplementary regulations approved by PERAC and on file at PERAC are listed in this report.

In our opinion, the financial records are being maintained and the management functions are being performed in conformity with the standards established by the Public Employee Retirement Administration Commission.

We commend the Town of Plymouth Retirement Board for the exemplary operation of the system.

In closing, I acknowledge the work of examiners William Walsh, Sam O'Brien and John J. Shea who conducted this examination, and express appreciation to the Board of Retirement and staff for their courtesy and cooperation.

Sincerely,



Joseph E. Connarton
Executive Director



STATEMENT OF LEDGER ASSETS AND LIABILITIES

AS OF DECEMBER 31,			
	2013	2012	2011
Net Assets Available For Benefits:			
Cash	\$1,378,866	\$2,208,157	\$1,721,534
Equities	29,396,183	25,102,373	22,408,765
Pooled Domestic Equity Funds	18,755,872	15,645,427	15,302,078
Pooled International Equity Funds	25,047,239	19,071,452	17,434,231
Pooled Domestic Fixed Income Funds	23,637,518	24,280,269	22,756,196
Pooled Alternative Investment Funds	7,130,363	5,503,998	4,077,616
Pooled Real Estate Funds	9,619,758	8,139,092	7,294,666
Pooled International Balanced Funds	17,283,799	14,467,493	10,997,013
Hedge Funds	7,255,664	5,938,536	5,480,482
PRIT Core Fund	710,717	0	0
Prepaid Expenses	9,331	9,331	9,331
Accounts Receivable	27,630	38,949	5,310
Accounts Payable	(172,444)	(207,924)	(113,679)
Total	<u>\$140,080,498</u>	<u>\$120,197,154</u>	<u>\$107,373,544</u>
Fund Balances:			
Annuity Savings Fund	\$37,116,241	\$35,213,099	\$34,463,782
Annuity Reserve Fund	15,352,883	15,946,969	15,173,949
Pension Fund	5,065,228	7,928,360	7,564,891
Military Service Fund	61,468	53,932	48,788
Expense Fund	0	0	0
Pension Reserve Fund	<u>82,484,678</u>	<u>61,054,793</u>	<u>50,122,134</u>
Total	<u>\$140,080,498</u>	<u>\$120,197,154</u>	<u>\$107,373,544</u>

STATEMENT OF CHANGES IN FUND BALANCES

	Annuity Savings Fund	Annuity Reserve Fund	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total All Funds
Beginning Balance (2011)	\$32,890,448	\$15,155,901	\$8,126,177	\$48,933	\$0	\$55,064,008	\$111,285,466
Receipts	3,729,366	444,700	8,416,838	(194)	1,330,661	(2,572,036)	11,349,335
Interfund Transfers	(1,566,511)	1,567,136	2,369,165	49	0	(2,369,839)	0
Disbursements	(589,520)	(1,993,788)	(11,347,288)	0	(1,330,661)	0	(15,261,258)
Ending Balance (2011)	34,463,782	15,173,949	7,564,891	48,788	0	50,122,134	107,373,544
Receipts	3,631,440	453,563	9,340,993	7,825	1,548,479	14,007,460	28,989,759
Interfund Transfers	(2,420,929)	2,422,974	3,075,436	(2,680)	0	(3,074,800)	0
Disbursements	(461,194)	(2,103,516)	(12,052,960)	0	(1,548,479)	0	(16,166,149)
Ending Balance (2012)	35,213,099	15,946,969	7,928,360	53,932	0	61,054,793	120,197,154
Receipts	3,746,636	460,422	9,702,301	7,537	1,685,928	21,330,389	36,933,213
Interfund Transfers	(1,231,923)	1,132,427	0	0	0	99,496	0
Disbursements	(611,572)	(2,186,935)	(12,565,434)	0	(1,685,928)	0	(17,049,869)
Ending Balance (2013)	<u>\$37,116,241</u>	<u>\$15,352,883</u>	<u>\$5,065,228</u>	<u>\$61,468</u>	<u>\$0</u>	<u>\$82,484,678</u>	<u>\$140,080,498</u>

STATEMENT OF RECEIPTS

FOR THE PERIOD ENDING DECEMBER 31,			
	2013	2012	2011
Annuity Savings Fund:			
Members Deductions	\$3,435,312	\$3,369,625	\$3,284,803
Transfers from Other Systems	92,316	146,202	275,135
Member Make Up Payments and Re-deposits	36,114	64,985	61,808
Member Payments from Rollovers	115,466	6,332	28,313
Investment Income Credited to Member Accounts	<u>67,429</u>	<u>44,297</u>	<u>79,307</u>
Sub Total	<u>3,746,636</u>	<u>3,631,440</u>	<u>3,729,366</u>
Annuity Reserve Fund:			
Investment Income Credited to the Annuity Reserve Fund	<u>460,422</u>	<u>453,563</u>	<u>444,700</u>
Sub Total	<u>460,422</u>	<u>453,563</u>	<u>444,700</u>
Pension Fund:			
3 (8) (c) Reimbursements from Other Systems Received from Commonwealth for COLA and Survivor Benefits	254,858	286,117	262,439
Pension Fund Appropriation	223,015	323,500	105,316
Settlement of Workers' Compensation Claims	9,215,000	8,693,009	8,049,083
Recovery of 91A Overearnings	5,600	38,367	0
	3,829	0	0
Sub Total	<u>9,702,301</u>	<u>9,340,993</u>	<u>8,416,838</u>
Military Service Fund:			
Contribution Received from Municipality on Account of Military Service	7,483	7,450	0
Investment Income Credited to the Military Service Fund (Loss)	<u>54</u>	<u>374</u>	<u>(194)</u>
Sub Total	<u>7,537</u>	<u>7,825</u>	<u>(194)</u>
Expense Fund:			
Investment Income Credited to the Expense Fund	<u>1,685,928</u>	<u>1,548,479</u>	<u>1,330,661</u>
Sub Total	<u>1,685,928</u>	<u>1,548,479</u>	<u>1,330,661</u>
Pension Reserve Fund:			
Federal Grant Reimbursement	26,299	0	0
Interest Not Refunded	15,583	4,603	5,442
Miscellaneous Income	6,659	232	6,170
Excess Investment Income (Loss)	<u>21,281,848</u>	<u>14,002,625</u>	<u>(2,583,648)</u>
Sub Total	<u>21,330,389</u>	<u>14,007,460</u>	<u>(2,572,036)</u>
Total Receipts, Net	<u>\$36,933,213</u>	<u>\$28,989,759</u>	<u>\$11,349,335</u>

STATEMENT OF DISBURSEMENTS

FOR THE PERIOD ENDING DECEMBER 31,			
	2013	2012	2011
Annuity Savings Fund:			
Refunds to Members	\$349,817	\$272,550	\$358,539
Transfers to Other Systems	<u>261,755</u>	<u>188,644</u>	<u>230,981</u>
Sub Total	<u>611,572</u>	<u>461,194</u>	<u>589,520</u>
Annuity Reserve Fund:			
Annuities Paid	2,183,475	2,043,718	1,958,699
Option B Refunds	<u>3,460</u>	<u>59,798</u>	<u>35,089</u>
Sub Total	<u>2,186,935</u>	<u>2,103,516</u>	<u>1,993,788</u>
Pension Fund:			
Pensions Paid:			
Regular Pension Payments	8,969,568	8,515,462	8,133,737
Survivorship Payments	334,451	279,936	214,960
Ordinary Disability Payments	102,661	139,310	136,258
Accidental Disability Payments	2,259,132	2,247,914	2,093,921
Accidental Death Payments	337,747	361,004	285,957
Section 101 Benefits	30,265	27,279	24,849
3 (8) (c) Reimbursements to Other Systems	352,018	332,633	262,956
State Reimbursable COLA's Paid	139,811	111,342	176,648
Chapter 389 Beneficiary Increase Paid	<u>39,780</u>	<u>38,081</u>	<u>18,001</u>
Sub Total	<u>12,565,434</u>	<u>12,052,960</u>	<u>11,347,288</u>
Expense Fund:			
Board Member Stipend	4,500	4,500	4,500
Salaries	288,190	271,108	253,454
Legal Expenses	34,029	30,452	69,042
Travel Expenses	7,711	7,868	5,523
Administrative Expenses	27,673	14,035	13,957
Professional Services	0	14,975	10,395
Accounting Services	9,000	0	0
Education and Training	4,280	4,670	3,325
Furniture and Equipment	3,405	1,833	4,141
Management Fees	1,003,672	911,403	721,881
Custodial Fees	111,350	97,041	90,723
Consultant Fees	88,500	87,375	75,000
Rent Expenses	44,788	42,904	33,218
Service Contracts	48,074	49,531	35,189
Fiduciary Insurance	<u>10,755</u>	<u>10,786</u>	<u>10,312</u>
Sub Total	<u>1,685,928</u>	<u>1,548,479</u>	<u>1,330,661</u>
Total Disbursements	<u>\$17,049,869</u>	<u>\$16,166,149</u>	<u>\$15,261,258</u>

INVESTMENT INCOME

	FOR THE PERIOD ENDING DECEMBER 31,		
	2013	2012	2011
Investment Income Received From:			
Cash	\$3,506	\$5,519	\$5,650
Equities	333,293	421,288	267,743
Pooled or Mutual Funds	2,687,915	2,835,073	2,539,600
Total Investment Income	<u>3,024,714</u>	<u>3,261,880</u>	<u>2,812,993</u>
Plus:			
Realized Gains	4,353,569	1,887,791	1,441,699
Unrealized Gains	19,403,688	15,964,813	10,604,930
Sub Total	<u>23,757,257</u>	<u>17,852,604</u>	<u>12,046,630</u>
Less:			
Realized Loss	(775,229)	(799,746)	(1,493,712)
Unrealized Loss	(2,511,062)	(4,265,399)	(14,095,085)
Sub Total	<u>(3,286,290)</u>	<u>(5,065,145)</u>	<u>(15,588,796)</u>
Net Investment Income (Loss)	<u>23,495,680</u>	<u>16,049,339</u>	<u>(729,174)</u>
Income Required:			
Annuity Savings Fund	67,429	44,297	79,307
Annuity Reserve Fund	460,422	453,563	444,700
Military Service Fund (Loss)	54	374	(194)
Expense Fund	1,685,928	1,548,479	1,330,661
Total Income Required	<u>2,213,832</u>	<u>2,046,714</u>	<u>1,854,474</u>
Net Investment Income (Loss)	<u>23,495,680</u>	<u>16,049,339</u>	<u>(729,174)</u>
Less: Total Income Required	<u>2,213,832</u>	<u>2,046,714</u>	<u>1,854,474</u>
Excess Income (Loss) To The Pension Reserve Fund	<u>\$21,281,848</u>	<u>\$14,002,625</u>	<u>(\$2,583,648)</u>

SCHEDULE OF ALLOCATION OF INVESTMENTS OWNED

(percentages by category)

AS OF DECEMBER 31, 2013		
	MARKET VALUE	PERCENTAGE OF TOTAL ASSETS
Cash	\$1,378,866	1.0%
Equities	29,396,183	21.0%
Pooled Domestic Equity Funds	18,755,872	13.4%
Pooled International Equity Funds	25,047,239	17.9%
Pooled Domestic Fixed Income Funds	23,637,518	16.9%
Pooled Alternative Investment Funds	7,130,363	5.1%
Pooled Real Estate Funds	9,619,758	6.9%
Pooled International Balanced Funds	17,283,799	12.3%
Hedge Funds	7,255,664	5.2%
PRIT Core Fund	710,717	0.5%
Grand Total	\$140,215,980	100.0%

For the year ending December 31, 2013, the rate of return for the investments of the Town of Plymouth Retirement System was 19.86%. For the five-year period ending December 31, 2013, the rate of return for the investments of the Town of Plymouth Retirement System averaged 13.56%. For the 29-year period ending December 31, 2013, since PERAC began evaluating the returns of the retirement systems, the rate of return on the investments of the Town of Plymouth Retirement System was 9.07%.

The composite rate of return for all retirement systems for the year ending December 31, 2013 was 15.57%. For the five-year period ending December 31, 2013, the composite rate of return for the investments of all retirement systems averaged 12.13%. For the 29-year period ending December 31, 2013, since PERAC began evaluating the returns of the retirement systems, the composite rate of return on the investments of all retirement systems averaged 9.49%.

SUPPLEMENTARY INVESTMENT REGULATIONS

The Town of Plymouth Retirement System submitted the following supplementary investment regulations, which were approved by the Public Employee Retirement Administration Commission.

July 19, 2011

Notwithstanding the provisions of 840 CMR 21.01(3)(a)&(b), 4(a)&(b), 6 and 8 the Plymouth Retirement Board ("the Board") is authorized to invest in the Babson Floating Rate Income Fund L.P. ("the Fund") provided that the use of derivatives is for the purpose of hedging risk in the portfolios managed by the Fund, restricted stock is held in connection with a restructuring and is offered in a distressed credit situation, and that "collateral loans" pertain to loans, bonds and other debt instruments secured by assets of the relevant issuer.

Since this is a private investment fund and an institutional commingled fund, in which the manager makes investment recommendations and actions on behalf of all investors in the Fund rather than any particular investor, 840 CMR 17.04(3)(b) will not apply. The provisions of 840 CMR 17.04(10) 16.09 and 16.03(2) will be limited by the provisions of the partnership agreement entered into by the Board and the Fund and the Investment Management Agreement between the Fund and the Manager. That Management Agreement provides, in part, that "In the absence of willful misconduct or gross negligence on the part of the Investment Manager, neither the Investment Manager nor any of its officers, directors, employees or shareholders ... or the legal representatives of any of them shall be subject to liability to the partnership or any limited partner of the Partnership for any act or omission in the course of, or connected with, rendering services hereunder or for any losses that may be sustained in the purchase, holding or sale of any security.

June 16, 2011

17.04(3)(b), 21.01(1), 21.01(3)-(6), 21.01(8)

The Plymouth Retirement Board is authorized to invest in the INVESCO High Yield Fund. Since this is a registered mutual fund, in which the manager makes investment recommendations and actions on behalf of all the shareholders in the Fund rather than any particular investor, 840 CMR 17.04(3)(b) will not apply. To the extent that the Fund reserves the right to make purchases on margin and to use futures contracts, options, restricted stock, and collateral loans as part of its basic strategy, 840 CMR 21.01 (1), (3), (4), (5), (6), and (8) will not apply. The Board expects INVESCO to comply with all other state statutes and investment regulations.

September 23, 2009

21.01(1)

The Plymouth Retirement Board is authorized to invest in the Wellington Legacy Securities PPIF, which is part of the US Treasury's Public-Private Investment Program. As part of this program, the manager may employ leverage up to 1x.

October 17, 2008

The provisions of 840 CMR 21.01(2)(3)(4) and (5) shall not apply to the investment of the Plymouth Retirement Board in the fund known as the Westfield Large Cap Growth Fund Limited Partnership.

The provisions of 840 CMR 21.01(2)(3)(4) and (5) shall not apply to the investment of the Plymouth Retirement Board in the fund known as the Eaton Vance Large Cap Value Fund.

May 12, 2000

16.08

In accordance with PERAC Investment Guideline 99-2, the Plymouth Retirement Board may transfer assets out of the State Street Global Advisors "Equal Weighted" S&P 500 Index Fund into the SSGA Flagship S&P 500 Index Fund. Both funds invest in the same universe of securities. In making this change, the Board is choosing a fund with a slightly higher opportunity/risk profile. The Flagship Fund also has slightly lower annual expenses.

NOTES TO FINANCIAL STATEMENTS

NOTE I – SUMMARY OF PLAN PROVISIONS

The plan is a contributory defined benefit plan covering all Town of Plymouth Retirement System member unit employees deemed eligible by the retirement board, including the Town of Plymouth, Plymouth Housing Authority, School Employees, School Lunch and Community Development with the exception of school department employees who serve in a teaching capacity. The Teachers' Retirement Board administers the pensions of such school employees.

ADMINISTRATION

There are 105 contributory retirement systems for public employees in Massachusetts. Each system is governed by a retirement board and all boards, although operating independently, are governed by Chapter 32 of the Massachusetts General Laws. This law in general provides uniform benefits, uniform contribution requirements and a uniform accounting and funds structure for all systems.

PARTICIPATION

Participation is mandatory for all full-time employees. Eligibility with respect to part-time, provisional, temporary, seasonal or intermittent employment is governed by regulations promulgated by the retirement board, and approved by PERAC. Membership is optional for certain elected officials.

There are 4 classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the State Police. The other 3 classes are as follows:

Group 1:

General employees, including clerical, administrative, technical and all other employees not otherwise classified.

Group 2:

Certain specified hazardous duty positions.

Group 4:

Police officers, firefighters, and other specified hazardous positions.

NOTES TO FINANCIAL STATEMENTS (Continued)

MEMBER CONTRIBUTIONS

Member contributions vary depending on the most recent date of membership:

Prior to 1975:	5% of regular compensation
1975 - 1983:	7% of regular compensation
1984 to 6/30/96:	8% of regular compensation
7/1/96 to present:	9% of regular compensation
1979 to present:	an additional 2% of regular compensation in excess of \$30,000.

In addition, members of Group 1 who join the system on or after April 2, 2012 will have their withholding rate reduced to 6 % after achieving 30 years of creditable service.

RATE OF INTEREST

Interest on regular deductions made after January 1, 1984 is a rate established by PERAC in consultation with the Commissioner of Banks. The rate is obtained from the average rates paid on individual savings accounts by a representative sample of at least 10 financial institutions.

RETIREMENT AGE

The mandatory retirement age for some Group 2 and Group 4 employees is age 65. Most Group 2 and Group 4 members may remain in service after reaching age 65. Group 4 members who are employed in certain public safety positions are required to retire at age 65. There is no mandatory retirement age for employees in Group 1.

SUPERANNUATION RETIREMENT

A person who became a member before April 2, 2012 is eligible for a superannuation retirement allowance (service retirement) upon meeting the following conditions:

- completion of 20 years of service, or
- attainment of age 55 if hired prior to 1978, or if classified in Group 4, or
- attainment of age 55 with 10 years of service, if hired after 1978, and if classified in Group 1 or 2

A person who became a member on or after April 2, 2012 is eligible for a superannuation retirement allowance (service retirement) upon meeting the following conditions:

- attainment of age 60 with 10 years of service if classified in Group 1, or
- attainment of age 55 with 10 years of service if classified in Group 2, or
- attainment of age 55 if classified in Group 4.

NOTES TO FINANCIAL STATEMENTS (Continued)

AMOUNT OF BENEFIT

A member's annual allowance is determined by multiplying average salary by a benefit rate related to the member's age and job classification at retirement, and the resulting product by his creditable service. The amount determined by the benefit formula cannot exceed 80% of the member's highest three year (or five year as discussed below) average salary. For veterans as defined in G.L. c. 32, s. 1, there is an additional benefit of \$15 per year for each year of creditable service, up to a maximum of \$300.

For employees who become members after January 1, 2011, regular compensation is limited to 64% of the federal limit found in 26 U.S.C. 401(a)(17). In addition, regular compensation will be limited to prohibit "spiking" of a member's salary to increase the retirement benefit.

- For persons who became members prior to April 2, 2012, Average Salary is the average annual rate of regular compensation received during the 3 consecutive years that produce the highest average, or, if greater, during the last 3 years (whether or not consecutive) preceding retirement.
- For persons who became members on or after April 2, 2012, Average Salary is the average annual rate of regular compensation received during the 5 consecutive years that produce the highest average, or, if greater, during the last 5 years (whether or not consecutive) preceding retirement.
- The Benefit Rate varies with the member's retirement age. For persons who became members prior to April 2, 2012 the highest rate of 2.5% applies to Group 1 employees who retire at or after age 65, Group 2 employees who retire at or after age 60, and to Group 4 employees who retire at or after age 55. A .1% reduction is applied for each year of age under the maximum age for the member's group. For Group 2 employees who terminate from service under age 55, the benefit rate for a Group 1 employee shall be used.
- For persons who became members on or after April 2, 2012 and retire with less than 30 years of creditable service, the highest rate of 2.5% applies to Group 1 employees who retire at or after age 67, Group 2 employees who retire at or after age 62, and to Group 4 employees who retire at or after age 57. A .15% reduction is applied for each year of age under the maximum age for the member's group.
- For persons who became members on or after April 2, 2012 and retire with more than 30 years of creditable service, the highest rate of 2.5% applies to Group 1 employees who retire at or after age 67, Group 2 employees who retire at or after age 62, and to Group 4 employees who retire at or after age 55. A .125% reduction is applied for each year of age under the maximum age for the member's group.

DEFERRED VESTED BENEFIT

A participant who has attained the requisite years of creditable service can elect to defer his or her retirement until a later date. Certain public safety employees cannot defer beyond age 65. All participants must begin to receive a retirement allowance or withdraw their accumulated deductions no later than April 15 of the calendar year following the year they reach age 70½.

NOTES TO FINANCIAL STATEMENTS (Continued)

WITHDRAWAL OF CONTRIBUTIONS

Member contributions may be withdrawn upon termination of employment. The interest rate for employees who first become members on or after January 1, 1984 who voluntarily withdraw their contributions with less than 10 years of service will be 3%. Interest payable on all other withdrawals will be set at regular interest.

DISABILITY RETIREMENT

The Massachusetts Retirement Plan provides 2 types of disability retirement benefits:

ORDINARY DISABILITY

Eligibility: Non-veterans who become totally and permanently disabled by reason of a non-job related condition with at least 10 years of creditable service (or 15 years creditable service in systems in which the local option contained in G.L. c. 32, s.6(1) has not been adopted).

Veterans with ten years of creditable service who become totally and permanently disabled by reason of a non-job related condition prior to reaching “maximum age”. “Maximum age” applies only to those employees classified in Group 4 who are subject to mandatory retirement.

Retirement Allowance: For persons who became members prior to April 2, 2012, the benefit is equal to the accrued superannuation retirement benefit as if the member was age 55. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 55, he or she will receive not less than the superannuation allowance to which he or she is entitled.

For persons in Group 1 who became members on or after April 2, 2012, the benefit is equal to the accrued superannuation retirement benefit as if the member was age 60. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 60, he or she will receive not less than the superannuation allowance to which he or she would have been entitled had they retired for superannuation.

For persons in Group 2 and Group 4 who became members on or after April 2, 2012, the benefit is equal to the accrued superannuation retirement benefit as if the member was age 55. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 55, he or she will receive not less than the superannuation allowance to which he or she would have been entitled had they retired for superannuation.

NOTES TO FINANCIAL STATEMENTS (Continued)

ACCIDENTAL DISABILITY

Eligibility: Applies to members who become permanently and totally unable to perform the essential duties of the position as a result of a personal injury sustained or hazard undergone while in the performance of duties. There are no minimum age or service requirements.

Retirement Allowance: 72% of salary plus an annuity based on accumulated member contributions, with interest. This amount is not to exceed 100% of pay. For those who became members in service after January 1, 1988 or who have not been members in service continually since that date, the amount is limited to 75% of pay. There is an additional pension of 774.36 per year (or \$312.00 per year in systems in which the local option contained in G.L. c. 32, s. 7(2)(a)(iii) has not been adopted), per child who is under 18 at the time of the member's retirement, with no age limitation if the child is mentally or physically incapacitated from earning. The additional pension may continue up to age 22 for any child who is a full time student at an accredited educational institution. For systems that have adopted Chapter 157 of the Acts of 2005, veterans as defined in G.L. c. 32, s. 1 receive an additional benefit of \$15 per year for each year of creditable service, up to a maximum of \$300.

ACCIDENTAL DEATH

Eligibility: Applies to members who die as a result of a work-related injury or if the member was retired for accidental disability and the death was the natural and proximate result of the injury or hazard undergone on account of which such member was retired.

Allowance: An immediate payment to a named beneficiary equal to the accumulated deductions at the time of death, plus a pension equal to 72% of current salary and payable to the surviving spouse, dependent children or the dependent parent, plus a supplement of 774.36 per year, per child (or \$312.00 per year in systems in which the local option contained in G.L. c. 32, s. 9(2)(d)(ii) has not been adopted), payable to the spouse or legal guardian until all dependent children reach age 18 or 22 if a full time student, unless mentally or physically incapacitated.

The surviving spouse of a member of a police or fire department or any corrections officer who, under specific and limited circumstances detailed in the statute, suffers an accident and is killed or sustains injuries while in the performance of his duties that results in his death, may receive a pension equal to the maximum salary for the position held by the member upon his death. In addition, an eligible family member may receive a one-time payment of \$150,000.00 from the State Retirement Board. This lump sum payment is also available to the family of a public prosecutor in certain, limited circumstances.

NOTES TO FINANCIAL STATEMENTS (Continued)

DEATH AFTER ACCIDENTAL DISABILITY RETIREMENT

Effective November 7, 1996, Accidental Disability retirees were allowed to select Option C at retirement and provide a benefit for an eligible survivor. For Accidental Disability retirees prior to November 7, 1996, who could not select Option C, if the member's death is from a cause unrelated to the condition for which the member received accidental disability benefits, a surviving spouse will receive an annual allowance of \$6,000. For Systems that accept the provisions of Section 28 of Chapter 131 of the Acts of 2010, the amount of this benefit is \$9,000. For Systems that accept the provisions of Section 63 of Chapter 139 of the Acts of 2012, the amount of this benefit is \$12,000.

DEATH IN ACTIVE SERVICE

Allowance: An immediate allowance equal to that which would have been payable had the member retired and selected Option C on the day before his or her death. For a member who became a member prior to April 2, 2012 whose death occurred prior to the member's superannuation retirement age, the age 55 benefit rate is used. For a member classified in Group 1 who became a member on or after April 2, 2012 whose death occurred prior to the member's superannuation retirement age, the age 60 benefit rate is used. If the member died after age 60, the actual age is used. For a member classified in Group 2 or Group 4, whose death occurred prior to the member's minimum superannuation retirement age, the benefit shall be calculated using an age 55 age factor. The minimum annual allowance payable to the surviving spouse of a member in service who dies with at least two years of creditable service is \$3,000 unless the retirement system has accepted the local option increasing this minimum annual allowance to \$6,000, provided that the member and the spouse were married for at least one year and living together on the member's date of death.

The surviving spouse of such a member in service receives an additional allowance equal to the sum of \$1,440 per year for the first child and \$1,080 per year for each additional child until all dependent children reach age 18 or 22 if a full time student, unless mentally or physically incapacitated.

COST OF LIVING

If a system has accepted Chapter 17 of the Acts of 1997, and the Retirement Board votes to pay a cost of living increase (COLA) for that year, the percentage is determined based on the increase in the Consumer Price Index used for indexing Social Security benefits, but cannot exceed 3.0%. Section 51 of Chapter 127 of the Acts of 1999, if accepted, allows boards to grant COLA increases greater than that determined by CPI but not to exceed 3.0%. Only a certain portion of a retiree's total allowance is subject to a COLA. The total COLA for periods from 1981 through 1996 is paid for by the Commonwealth of Massachusetts.

Under the provisions of Chapter 32, Section 103(j) inserted by Section 19 of Chapter 188 of the Acts of 2010, systems may increase the maximum base on which the COLA is calculated in multiples of \$1,000. For many years the COLA base was calculated based upon the first \$12,000 of a retiree's allowance. Now the maximum base upon which the COLA is calculated varies from system to system. Each increase in the base must be accepted by a majority vote of the Retirement Board and approved by the legislative body.

NOTES TO FINANCIAL STATEMENTS (Continued)

METHODS OF PAYMENT

A member may elect to receive his or her retirement allowance in one of 3 forms of payment.

Option A: Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member's death.

Option B: A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided, however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.

Option C: A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or "pops up" to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable "pops up" to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

ALLOCATION OF PENSION COSTS

If a member's total creditable service was partly earned by employment in more than one retirement system, the cost of the "pension portion" is allocated between the different systems pro rata based on the member's service within each retirement system. If a member received regular compensation concurrently from two or more systems on or after January 1, 2010, and was not vested in both systems as of January 1, 2010, such a pro-ration will not be undertaken. This is because such a person will receive a separate retirement allowance from each system.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Public Employee Retirement Administration Commission.

Cash accounts are considered to be funds on deposit with banks and are available upon demand.

Short Term Investments are highly liquid investments that will mature within twelve months from the date of acquisition.

Investments are reported at their fair value. Securities traded on recognized exchanges are valued at the most recent sales price at year end. If no sale was reported, the mean of the bid and asked price is used when available, or the most recent bid price. Mutual, commingled and pooled funds are valued based on the net asset or unit value at year end. Real estate and alternative investments are valued based on estimates provided by the managers of those respective investments. Purchases and sales of securities are reflected on the date the trade is initiated. Realized gain or loss is largely based on the difference between the cost or the value at the prior year end and the funds realized upon liquidation. Dividend income is generally recorded when received. Interest income is recorded as earned on an accrual basis. Income from alternative investments is recorded as reported by the managing partner. Appreciation or depreciation in the value of investments consists of the unrealized gains and losses reported as the difference between the previous period and the current value.

The system makes estimates and assumptions that affect the reported values of assets and liabilities and the reported amounts added and deducted during the reporting periods. The fair value of real estate and alternative investment holdings are generally estimated in the absence of reliable exchange values. The actual funds realized upon liquidation may differ from these estimates.

The provisions of Massachusetts General Laws Chapter 32, § 23 (2) generally govern the investment practices of the system. The Board retains an investment consultant to closely monitor the implementation and performance of their investment strategy and advise them of the progress toward full funding of the system. That strategy seeks to balance the exposure to common deposit and investment risks related to custody, credit concentrations, interest rate and foreign currency fluctuations.

Operating expenses include the ordinary and necessary cost of investment and professional services and the other miscellaneous administrative expenses of the system.

NOTES TO FINANCIAL STATEMENTS (Continued)

The Annuity Savings Fund is the fund in which members' contributions are deposited. Voluntary contributions, re-deposits, and transfers to and from other systems, are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, members' contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and Special Military Service Credit Fund. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance.

The Special Military Service Credit Fund contains contributions and interest for members while on a military leave for service in the Armed Forces who will receive creditable service for the period of that leave.

The Expense Fund contains amounts transferred from investment income for the purposes of administering the retirement system.

The Pension Fund contains the amounts appropriated by the governmental units as established by PERAC to pay the pension portion of each retirement allowance.

The Pension Reserve Fund contains amounts appropriated by the governmental units for the purposes of funding future retirement benefits. Any profit or loss realized on the sale or maturity of any investment or on the unrealized gain of a market valued investment as of the valuation date is credited to the Pension Reserve Fund. Additionally, any investment income in excess of the amount required to credit interest to the Annuity Savings Fund, Annuity Reserve Fund, and Special Military Service Credit Fund is credited to this Reserve account.

The Investment Income Account is credited with all income derived from interest and dividends of invested funds. At year-end the interest credited to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund is distributed from this account and the remaining balance is transferred to the Pension Reserve Fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS

The Town of Plymouth Retirement System submitted the following supplementary membership regulations, which were approved by the Public Employee Retirement Administration Commission.

Creditable Service

October 13, 2009

All part-time service rendered as a member of the Plymouth Retirement System ("System") and any prior non-membership service rendered which is purchased by a member of the System shall be prorated upon transfer to any other contributory retirement system. The method by which the Board shall prorate and accept liability pursuant to M.G.L. c. 32, § 3(8)(c) for such part-time service will be based upon 37.5 hours per week being the equivalent of one (1) week of service and 162.5 hours shall be the equivalent of one (1) month of service. For employees who are employed on a 12 month basis, 1,950 hours shall be the equivalent of one (1) year of service. For employees of the Plymouth School Department or any other employee who is only required to work 10 months per year (September to June), 1,625 hours shall be the equivalent of one (1) year of service.

May 29, 2009

The Board's creditable service regulation was amended to add tutors to those eligible for membership. Effective upon the adoption and approval of this regulation, all part-time service rendered as a member of the Plymouth Retirement System ("System") and any prior non-membership service rendered which is purchased by a member of the System shall be prorated upon transfer to any other contributory retirement system. The method by which the Board shall prorate and accept liability pursuant to M.G.L. c. 32, § 3(8)(c) for such part-time service will be based upon 37.5 hours per week being the equivalent of one (1) week of service and 162.5 hours shall be the equivalent of one (1) month of service. For employees who are employed on a 12 month basis, 1,950 hours shall be the equivalent of one (1) year of service. For employees of the Plymouth School Department or any other employee who is only required to work 10 months per year (September to June), 1,625 hours shall be the equivalent of one (1) year of service.

October 8, 2002

Members of the Plymouth Retirement System shall receive creditable service in the following:

For a member-in-service who is employed in a full-time capacity while an employee in the Town of Plymouth, he/she will receive one year of creditable service for each full calendar year in which the employee is receiving regular compensation for said service.

For a member-in-service who is employed in a part-time capacity throughout his/her entire career while an employee in the Town of Plymouth, he/she will receive one year of creditable service for each full calendar in which the employee is receiving regular compensation for said service.

For a member-in-service who has been employed in both a full-time and part-time capacity while an employee in the Town of Plymouth, the member will receive full-time credit for full-time service, and prorated credit for part-time service based on the full-time equivalency of 37.5 hours for the position.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

For a member who is employed in a part-time capacity throughout his/her entire career while an employee in the Town of Plymouth, but who either purchases past refunded service, or has transferred into the Plymouth Retirement System service, rendered in a full-time capacity, the member's part-time service shall be prorated based on the full-time equivalency of the position.

March 1, 1995

Creditable service for part-time or full-time employees, either actively contributing or, in the computation to determine make-ups, shall be determined retroactively based upon the following, unless that person has retired or left the employment of the town.

Less than two (2) weeks in any year-----No Credit

- Two (2) weeks to One (1) month-----One (1) month
- One (1) month to Six (6) months-----Month for month
- Seven (7) months and over-----One (1) year
- One (1) year of credit for seven (7) months of service may only be granted if the work is determined by the retirement board to be seasonal in nature. One (1) year of credit for ten (10) months of service may only be granted for school employees whose work schedule is the academic school year.

March 5, 1990

For every two years of call firefighters service, this board will grant one year of creditable service, not to exceed a maximum of five years, and such service to be credited only if later appointed as a permanent member of the Fire Department.

February 1, 1990

To establish a standard policy that C.E.T.A. service not be considered as creditable service and liability on such service will not be accepted by the Plymouth Retirement Board.

Miscellaneous

March 19, 2004

A member of the Plymouth Retirement System who sustains an injury as a result of, and while in the performance of, his duties, or who believes that he has been exposed to an occupational hazard, shall complete a notice of injury and/or accident report, or the equivalent thereto, which specifically identifies the date, time and place of injury, the specific duty being performed at the time of said injury, identify the actual injury sustained or hazard undergone, identify any witnesses to said injury, the department for which the employee works, the title of the employee and to whom the injury was first reported. Said notice of injury or accident report must be filed with the Board within 90 days of suffering said injury.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

December 18, 2001

Election of Board Members

The Plymouth Retirement Board shall conduct a simultaneous election for the two elected members of the Board. Both terms of the elected members shall be for three years and expire on the same date. In conducting the election, the Board shall place all candidates who have been nominated in conformance with 840 CMR 7.04 on one ballot. All eligible candidates shall be listed on the ballot in an order determined by a random drawing of the names of the candidates. In the event that only two candidates have been nominated, the Board shall declare said candidates to be the elected members of the Board, no elections shall be held, and said candidates shall take office and serve in all respects as though he or she had been elected by election. If there are more than two candidates, an election shall be conducted and each member of or retired from the Plymouth Retirement Board shall be allowed to vote for not more than two candidates. Upon tabulation of the ballots, the two candidates who receive the most votes shall be declared the elected members of the Board. In the event of a vacancy, a new election shall be conducted to fill a vacancy as soon as practicable.

Travel Regulations:

The Town of Plymouth Retirement System has adopted supplementary rules under the provisions of M.G.L. c. 7, § 50 relating to attendance at and participation in educational conferences and seminars which address issues related to the Board's fiduciary duty and administrative responsibility for the management of the retirement system. These regulations are available upon written request, and are also available on the PERAC website (<http://www.mass.gov/perac/plymouthtravelreg.html>).

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - ADMINISTRATION OF THE SYSTEM

The System is administered by a five-person Board of Retirement consisting of the Town Accountant who shall be a member ex-officio, a second member appointed by the governing authority, a third and fourth member who shall be elected by the members in or retired from the service of such system, and a fifth member appointed by the other four board members.

Ex-officio Member: Lynne Barrett

Appointed Member: Gerald Coughlin Term Expires: 06/30/2017

Elected Member: Thomas M. Kelley Term Expires: 06/30/2016
Chairperson

Elected Member: Richard A. Manfredi Term Expires: 06/30/2016

Appointed Member: Shawn Duhamel Term Expires: 06/30/2017

The Board members are required to meet at least once a month. The Board must keep a record of all of its proceedings. The Board must annually submit to the appropriate authority an estimate of the expenses of administration and cost of operation of the system. The board must annually file a financial statement of condition for the system with the Executive Director of PERAC.

The investment of the system's funds is the responsibility of the Board. All retirement allowances must be approved by the Retirement Board. The PERAC Actuary performs verification prior to payment, unless the system has obtained a waiver for superannuation calculations allowing them to bypass this requirement. All expenses incurred by the System must be approved by a majority vote of the Board. Payments shall be made only upon vouchers signed by two persons designated by the Board.

The following retirement board members and employees are bonded by an authorized agent representing a company licensed to do business in Massachusetts as follows:

Treasurer - Custodian:)	Coverage under a master MACRS sponsored policy with
Ex-officio Member:)	Travelers Casualty & Surety Co. of America
Elected Members:)	\$50,000,000 Fiduciary policy, Deductible \$100,000.
Appointed Members:)	Separate Fidelity coverage pertaining to ERISA/Crime
Staff Employees:)	To a limit of \$1,000,000, Deductible \$10,000

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by the Public Employee Retirement Administration Commission as of January 1, 2013.

The actuarial liability for active members was	\$100,020,887
The actuarial liability for vested terminated members was	993,303
The actuarial liability for non-vested terminated members was	712,872
The actuarial liability for retired members was	<u>145,459,444</u>
The total actuarial liability was	\$247,186,506
System assets as of that date were	<u>119,488,051</u>
The unfunded actuarial liability was	<u>\$127,698,455</u>
 The ratio of system's assets to total actuarial liability was	 48.3%
As of that date the total covered employee payroll was	\$35,740,789

The normal cost for employees on that date was 8.9% of payroll

The normal cost for the employer was 6.3% of payroll

The principal actuarial assumptions used in the valuation are as follows:

Investment Return:	7.75% per annum
Rate of Salary Increase:	Services based table with ultimate rates 4.25%, 4.50%, and 4.75% for groups 1, 2 and 4 respectively

GASB STATEMENT NO. 25, DISCLOSURE INFORMATION AS OF JANUARY 1, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Cov. Payroll ((b-a)/c)
1/1/2013	\$119,488,051	\$247,186,506	\$127,698,455	48.3%	\$35,740,789	357.3%
1/1/2010	\$111,588,652	\$205,870,040	\$94,281,388	54.2%	\$35,664,649	264.4%
1/1/2008	\$120,332,129	\$175,118,603	\$54,786,474	68.7%	\$34,232,338	160.0%

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - MEMBERSHIP EXHIBIT

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Retirement in Past Years										
Superannuation	26	26	24	7	31	23	34	36	43	35
Ordinary Disability	1	0	0	0	1	0	0	0	1	3
Accidental Disability	2	3	2	0	2	1	1	1	2	2
Total Retirements	29	29	26	7	34	24	35	37	46	40
 Total Retirees, Beneficiaries and Survivors	480	497	500	531	552	560	585	597	625	631
 Total Active Members	1,188	1,070	1,121	1,093	1,068	986	928	900	878	867
Pension Payments										
Superannuation	\$5,249,680	\$5,516,184	\$5,852,835	\$6,190,206	\$6,657,087	\$7,202,430	\$7,762,227	\$8,133,737	\$8,515,462	\$8,969,568
Survivor/Beneficiary Payments	150,634	152,672	165,305	198,025	200,320	200,825	207,873	214,960	279,936	334,451
Ordinary Disability	87,321	89,445	91,793	94,030	113,852	132,125	134,716	136,258	139,310	102,661
Accidental Disability	1,272,741	1,395,234	1,558,380	1,560,085	1,885,474	1,936,073	1,996,203	2,093,921	2,247,914	2,259,132
Other	<u>669,375</u>	<u>618,012</u>	<u>642,444</u>	<u>679,862</u>	<u>684,938</u>	<u>744,075</u>	<u>763,029</u>	<u>768,411</u>	<u>870,339</u>	<u>899,621</u>
Total Payments for Year	<u>\$7,429,751</u>	<u>\$7,771,547</u>	<u>\$8,310,757</u>	<u>\$8,722,208</u>	<u>\$9,541,671</u>	<u>\$10,215,528</u>	<u>\$10,864,048</u>	<u>\$11,347,288</u>	<u>\$12,052,960</u>	<u>\$12,565,434</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 – LEASED PREMISES

The Plymouth Retirement Board leases approximately 2,408 square feet of space for its offices located at 10 Cordage Park Circle, Suite 240, Plymouth, MA. 02360. They signed an initial 5-year lease term (\$12.00 per sq ft) which expired November 1, 2010. A 5-year amendment was agreed upon September 1, 2009 extending the lease through November 1, 2015. The landlord is JD Cordage, LLC.

The following schedule displays the minimum lease obligations on non-cancelable operating leases as of December 31, 2013:

<u>For the year ending:</u>	<u>Annual Rent</u>	<u>Annual CAM</u>	<u>Annual Expense</u>
2014	\$32,941.44+CPI Increase	\$9,607.68+CPI Increase	\$42,549.12+CPI Increase
2015 (Through 10/31/2015)	\$27451.12+CPI Increase	\$8,006.40+CPI Increase	\$35,457.60+CPI Increase

Total future minimum lease payments required \$78,006.72+CPI Increases

Notes: CPI: Consumer Price Index; United States Department of Labor

CAM: Common Area Maintenance Charges

Note: A Security Deposit equal to three month's rent plus CAM, \$9,331 was paid in June, 2005.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS

Chapter 88 of the Acts of 2004 allowed the Town of Plymouth to establish a Group Insurance Liability Fund to pay premium costs and claim costs on behalf of retired town employees and eligible spouses and dependents. Section 2(b) states that the fund shall be subject to PERAC's triennial audit.

The most recent actuarial valuation of the Town of Plymouth's Group Insurance Liability Fund was prepared by Stone Consulting, Inc. as of January 1, 2011.

The actuarial liability for active members was	\$164,130,290
The actuarial liability for retired members was	<u>226,687,698</u>
The total actuarial liability was	\$390,817,988
System assets as of that date were	<u>0</u>
 The unfunded actuarial liability was	 <u>\$390,817,988</u>
The ratio of system's assets to total actuarial liability was	0.0%

GASB DISCLOSURE INFORMATION AS OF JANUARY 1, 2011

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Cov. Payroll ((b-a)/c)
1/1/2011	\$0	\$390,817,000	\$390,817,000	0.0%	\$79,643,000	490.7%
1/1/2009	\$0	\$379,285,000	\$379,285,000	0.0%	\$90,445,000	419.4%

The Town's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an actuarially determined amount calculated in accordance with GASB 45. The ARC represents the amount that is projected to cover each year's normal cost and amortize the unfunded liability over a period not to exceed 30 years.

NOTES TO FINANCIAL STATEMENTS (Continued)

Net OPEB Obligation (NOO)

Fiscal Year Ending 6/30	Annual Required Contribution (a)	Interest on Existing NOO (b)	ARC Adjustment (c)	Annual OPEB Cost a+b+c (d)	Annual Contribution (e)	Net Increase in NOO d-e (f)	NOO as of following Date (g)
2015	36,909,486	4,692,171	(5,326,180)	36,275,477	15,552,919	20,722,558	131,126,581
2014	34,633,128	3,873,629	(4,233,413)	34,273,344	15,013,524	19,259,820	110,404,023
2013	32,520,726	3,091,564	(3,258,613)	32,353,677	13,952,155	18,401,522	91,144,203
2012	30,575,940	2,363,955	(2,406,954)	30,532,941	13,412,727	17,120,214	72,742,681
2011	33,097,547	1,611,976	(1,540,577)	33,168,946	15,475,318	17,693,628	55,622,467
2010	31,157,981	886,172	(819,530)	31,224,623	14,146,885	17,077,738	37,928,840

Other Required Information

Actuarial Cost Method	Projected Unit Credit
Amortization Method	3.25% Increasing
Remaining Amortization Period	27 years (as of 1/1/2011)
Asset Valuation	Not applicable, since there are no assets

Actuarial Assumptions

Investment Rate of Return	4.25%
Inflation Rate	3.25%
Medical/Drug Cost Trend Rate	4.25%

Plan Membership

Actives	1,323
Retirees, Beneficiaries, and Dependents	1,445
Total	2,768

PERAC

Five Middlesex Avenue | Third Floor
Somerville, MA | 02145

Ph: 617.666.4446 | Fax: 617.628.4002

TTY: 617.591.8917 | Web: www.mass.gov/perac